



## MAYOR AND CABINET

### Permission to procure report for New Hope Housing Project

**Date:** 6 July 2022

**Key decision:** Yes

**Class:** Part 1

**Ward(s) affected:** All wards

**Contributors:**

Integrated Commissioning Manager (Mental Health Pathways), Senior Lawyer, Group Finance Manager

### Outline and recommendations

The purpose of this report is to seek agreement from Major and Cabinet to commence the procurement process for the New Hope Housing Project.

The New Hope Housing Project is a 12 bedded property that has been a long standing component of the borough's approach to supporting individuals that have complex needs related to their mental health and/or offending histories returning to the community from detention in inpatient care. The service is for men living in Lewisham aged 18 to 65 who are accepted on the forensic caseload and/or have a significant history of criminal behaviour, which is linked to their mental illness and/or there is a diagnosis of Autism / challenging behaviour, which is linked to contact with the criminal justice system.

The current contract for this service ends March 2023. Mayor and Cabinet are recommended to give approval for officers to procure service provision for the New Hope Housing Project for the period of 1 April 2023 to 31 March 2026, with an option to extend for a further two years.

## 1. Summary

- 1.1. The current contract with Social Interest Group for the delivery of services at the New Hope Housing Project is due to end on 31<sup>st</sup> March 2023.
- 1.2. This document is intended to outline the intended approach to recommissioning service provision at the New Hope Housing Project.

- 1.3. The New Hope Supported Housing Project is a 12 bedded property that has been a long standing component of the borough's approach to supporting individuals that have complex needs related to their mental health and/or offending histories returning to the community from detention in inpatient care.
- 1.4. Funding for the service is managed by the Council, with costs claimed back from South East London Clinical Commissioning Group (SEL ICB) and South London & Maudsley NHS Foundation Trust (SLaM).
- 1.5. Mayor and Cabinet are recommended to give approval for officers to procure service provision for the New Hope Housing Project for the period of 1 April 2023 to 31 March 2026.

## 2. Recommendations

- 2.1. Mayor and Cabinet are recommended give approval for officers to procure service provision for the New Hope Supported Housing Project for the period of 1 April 2023 to 31 March 2026, with an option to extend for a further two years. at a total cost of £2,070,000.

## 3. Policy Context

- 3.1 The provision of Mental Health Supported Housing is an integral component of Local Authority and Clinical Commissioning Groups' statutory duty under s117 of the Mental Health Act 1983, to fund or provide aftercare service for all individuals that have been subject to detention within inpatient services under the Section 3 of the Mental Health Act.
- 3.2 The local authority is also required to meet the social care needs of individuals with mental and physical health issues that have been deemed eligible under the Care Act 2014.
- 3.3 Other national statutes and policy guidance related to the council and ICBs duty to commissioned and/or provide the service are as follows;
  - Care Act 2014
  - Health and Social Care Act 2012
  - Public Health Act 1986
  - Health Protection (Coronavirus) Regulations 2020
  - National Health Service Act 2006
  - Mental Health Act 2007
  - Mental Health Capacity (Amendment) Act 2019
  - NHS Long Term Plan
  - Lewisham Borough Council Corporate Strategy 2018/2022
  - Lewisham Borough Council Health & Wellbeing Strategy 2013/2023

## 4. Background and context

- 4.1. Lewisham residents experience high levels of deprivation, unemployment and a lack of fixed or appropriate accommodation. These compounding issues manifest in the significantly higher rates of serious mental illness within Lewisham, when compared to the national average. Equally, a higher proportion of individuals in Lewisham require a Care Plan Approach and a higher proportion claim benefits due to a mental or behavioural disorder than their counterparts across London.
- 4.2. Lewisham is a mixed ethnicity borough, with 51% of residents identifying as belonging to a non-white ethnic minority community; this is expected to grow over the next decade, with this number rising in the younger populations. Those from BAME populations are

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more likely to be diagnosed with serious mental illnesses such as schizophrenia, more likely to experience poor outcomes from treatment and more likely to first present to mental health services in crisis than their white counterparts.

- 4.3. Lewisham also has high prevalence of substance misuse, with this substance misuse commonly co-occurring alongside mental health issues.
- 4.4. The above groups are more likely to experience acute-stage interactions with mental health services and/or reach mental health services via a criminal justice route.
- 4.5. The New Hope Supported Housing Project has been a long standing component of the borough's approach to supporting males that have complex needs related to their mental health and/or offending histories returning to the community from detention in inpatient care.
- 4.6. Commissioners recommend Mayor and Cabinet approve the reprocurement of the building management and care services for the project.

## 5. New Hope Housing Project

- 5.1. The New Hope Supported Housing Project is commissioned by the Integrated Commissioning Team on behalf of Lewisham Council (LBL), South East London ICB (SEL ICB) and South London & Maudsley NHS Trust (SLaM).
- 5.2. The New Hope Supported Housing Project is a 12 bedded property that has been a long standing component of the borough's approach to supporting individuals that have complex needs related to their mental health and/or offending histories returning to the community from detention in inpatient care. The property is owned by Hyde Housing Association.
- 5.3. The service forms part of the Mental Health Complex Care pathway in Lewisham for people aged over 18 years with severe and enduring mental illness. Residents are supported to step down to less intensive support within the mental health accommodation pathway and to alternative housing options, wherever possible.
- 5.4. The service is for men living in Lewisham aged 18 to 65 who are accepted on the forensic caseload and/or have a significant history of criminal behaviour, which is linked to their mental illness and/ or there is a diagnosis of Autism / challenging behaviour, which is linked to contact with the criminal justice system.
- 5.5. The service supports its residents through the rehabilitation and recovery process, enabling people with long-term mental health needs to lead fulfilling lives in the community, maximising life opportunities and independence.
- 5.6. Referrals are taken for clients who have difficulty in achieving and or maintaining activities of daily living, reaching and or sustaining their potential due to enduring mental illness; clients who may have a degree of poor symptom control including negative symptoms, complex needs and or difficulty with engaging with services and may have co-morbid disorders including borderline learning disability, ASD, behaviour that challenges, a history of substance misuse and neurotic disorders which limit activities for living and independence.
- 5.7. The service is commissioned to increase opportunities for successful community reintegration, reduce the prevalence of offending behaviours and effectively manage instances of mental health deterioration.
- 5.8. The service provides a tiered range of bespoke community provision to manage the different level of treatment needs, which will ensure:
  - relapse and re-admission is managed in a timely and effective manner;
  - independence, recovery and social inclusion are promoted; and

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- the improvement of social and emotional functioning and wellbeing of service users.
- 5.9. Comprehensive support plans are developed with residents to ensure they have the right support to maintain and/or enhance the skills they already possess across independent living, wellbeing management
- 5.10. The current providers' contract was extended in 2021/22 due to COVID19 pressures and therefore, commissioners are seeking to go out to procurement during this period to ensure the most suitable provider is delivering the service.

## 6. Procurement Project Plan

- 6.1. Under the Care Act 2014, London Borough of Lewisham is the lead commissioner on behalf of the Joint Commissioning Team. This contract is jointly funded with NHS SEL ICB and South London and Maudsley NHS Foundation Trust. .
- 6.2. The option to bring this contract in-house was considered however, it is not a viable option. This is a specialist supported housing project and the service that requires the skills and management infrastructure to take on a single contract. To bring in house would increase the value of the contract due to increased staff and infrastructure costs (i.e. IT equipment and case management systems). Therefore officers will undergo a one stage open tender process in order to identify the most suitable provider.
- 6.3. The procurement opportunity will be advertised via the Council's online tendering system (Pro-contract Procurement Portal), which publishes opportunities through the London Tenders Portal, Contracts Finder and Find a Tender service.
- 6.4. Suppliers will be able to tender for this contract via the Pro-Contract Procurement Portal and will be assessed on a criteria of price, quality with a percentage of 50/50 split. The quality weighting will include between 5% - 10% Social Value in line with the Council's procurement policies.
- 6.5. The successful supplier will be recommended for award of contract, following a further report to Mayor and Cabinet.
- 6.6. Proposed Procurement Timetable

Activity	Proposed Date
Market warming	June 2022
Tender Documents Issued	July 2022
Tender Returns	September 2022
Evaluation	October 2022
Internal Approvals – M&C	December 2022
Contract Award	January 2023
Contract Commencement	April 2023

## 7. Contract details

- 7.1. The New Hope Housing Project contract will be jointly funded by LBL, SLaM and SELICB under the S256 agreement.
- 7.2. An open tender process will be led by the Integrated Commissioning Team in order to award a single supplier contract with a duration of 36 months (from 1<sup>st</sup> April 2023 to 31<sup>st</sup> March 2026) with an option to extend for 24 months, up a total of 60 months at a

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total cost of £2,070,000..

- 7.3. Per year, the estimated contract value will be £414,000 per year, with a total contract cost of £2,070,000.
- 7.4. The annual contract cost would be £414,000. A breakdown of this cost is provided in the table below:

Service	Contributor	Contribution	Total annual cost
New Hope Supported Accommodation	Lewisham Borough Council	£90,456.48	£414,000
	South East London ICB	£155,967	
	South London & Maudsley NHS Trust	£167,576.52	

## 8. Financial implications

- 8.1. The future delivery of this contract will be delivered through S256 joint arrangements between LBL, South East London ICB and South London and Maudsley NHS Trust (Slam).
- 8.2. LBL annual contribution over a five year period will be £90,456.48

## 9. Legal implications

- 9.1. The report seeks approval of the future delivery of the New Hope Supported Housing Project by an external provider. Given the potential spend on this contract (at a length of 3 + 2 years) this contract would be categorised by Contract Procedure Rules as a Category A contract. The report sets out the other options considered and explains why this is the recommended option.
- 9.2. Assuming that Mayor and Cabinet accepts the recommendation for future delivery by an external provider, Contract Procedure Rules place requirements on how that should happen. The Rules require that when letting contracts steps must be taken to secure value for money through a combination of cost, quality and competition, and that competitive tenders or quotations must be sought depending on the size and nature of the contract (Rule 5). Given the potential spend on this contract the procurement regulations (Public Contracts Regulations 2015) will also apply. The requirements of both Contract Procedure Rules and the procurement regulations would be satisfied by use of an open tender procedure. The process for procurement and the award of the contract would have to be in accordance with the Contract Procedure Rules. As a Category A contract, it would be for Mayor and Cabinet to take a decision on the award of any contract.
- 9.3. This is a key decision and must be included in the Key Decision Plan.
- 9.4. The Equality Act 2010 (the Act) places on the Council a public sector equality duty (the equality duty or the duty). It covers the following nine protected characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation. In summary, the Council must, in the exercise of its functions, have due regard to the need to:
  - Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
  - Advance equality of opportunity between people who share a protected

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characteristic and those who do not.

- Foster good relations between people who share a protected characteristic and those who do not.

- 9.5. The duty continues to be a “have regard duty”, and the weight to be attached to it is a matter for the Mayor, bearing in mind the issues of relevance and proportionality. It is not an absolute requirement to eliminate unlawful discrimination, advance equality of opportunity or foster good relations. 9.7 The Equality and Human Rights Commission has recently issued Technical Guidance on the Public Sector Equality Duty and statutory guidance entitled “Equality Act 2010 Services, Public Functions & Associations Statutory Code of Practice”. The Council must have regard to the statutory code in so far as it relates to the duty and attention is drawn to Chapter 11 which deals particularly with the equality duty. The Technical Guidance also covers what public authorities should do to meet the duty. This includes steps that are legally required, as well as recommended actions. The guidance does not have statutory force but nonetheless regard should be had to it, as failure to do so without compelling reason would be of evidential value. The statutory code and the technical guidance can be found at: <http://www.equalityhumanrights.com/legal-andpolicy/equality-act/equality-act-codes-of-practice-and-technical-guidance/> .
- 9.6. The Equality and Human Rights Commission (EHRC) has previously issued five guides for public authorities in England giving advice on the equality duty: 1. The essential guide to the public sector equality duty 2. Meeting the equality duty in policy and decision-making 3. Engagement and the equality duty 4. Equality objectives and the equality duty 5. Equality information and the equality duty.
- 9.7. The essential guide provides an overview of the equality duty requirements including the general equality duty, the specific duties and who they apply to. It covers what public authorities should do to meet the duty including steps that are legally required, as well as recommended actions. The other four documents provide more detailed guidance on key areas and advice on good practice. Further information and resources are available at: <http://www.equalityhumanrights.com/advice-and-guidance/publicsector-equality-duty/guidance-on-the-equality-duty/>

## 10. Equalities implications

- 10.1. The Council's Comprehensive Equality Scheme for 2012-16 will provide an overarching framework and focus for the Council's work on equalities and help ensure compliance with the Equality Act 2010.
- 10.2. One of the key quality criteria measured during any commissioning process is “Processes for addressing equality and diversity”. All the services contained in this report will be subject to robust contract monitoring processes which include evaluating fair access to services for all.

## 11. Climate change and environmental implications

- 11.1. The Council has made a commitment to making the borough carbon neutral by 2030.
- 11.2. The contracts set out in this report will not have any negative impact on the rate of energy consumption or increase of carbon admissions.
- 11.3. Recycling should be proactively promoted within the contracts and will be monitored during scheme visits and will be discussed with staff

## 12. Crime and disorder implications

- 12.1. The services in this report will have a positive impact on the care and recovery of those with a forensic history.

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### 13. Health and wellbeing implications

- 13.1. The services in this report will have a positive impact on health, mental health, and wellbeing by providing support and advice to individuals who returning to the community following detention in inpatient care.

### 14. Social Value implications

- 14.1. The council is an officially accredited London Living Wage (LLW) Employer and is committed to ensuring that, where appropriate, contractors and subcontractors engaged by the council to provide works or services within Lewisham pay their staff at a minimum rate equivalent to the LLW rate. The successful provider will be expected to meet LLW requirements and contract conditions requiring the payment of LLW will be included in the service specification and contract documents
- 14.2. The incorporation of Social Value into Lewisham contracts will significantly help the Council to deliver on its strategic corporate and Mayoral priorities and deliver added value for the borough as a whole.
- 14.3. The tenderers will be asked a method statement question to demonstrate what social value they can deliver through the contract.

### 15. Glossary

Term	Definition
Procurement	The process of buying or purchasing goods or services.
Wellbeing	Used by the World Health Organisation (1946) in its definition of health as “a state of complete physical, mental and social wellbeing and not merely the absence of disease or infirmity”.  More recently the concept was described as “feeling good and functioning well” (New Economics Foundation, 2008). Creating wellbeing (of which good physical health is a component) requires the mobilisation of the widest assets to ensure community cohesion, safety and so on.
Tender Process	The process of identifying and selecting suitable providers to deliver services.
London Living Wage	The Real Living Wage is independently calculated, voluntary and based on the cost of living. The Real Living Wage has different rates for London and the rest of the country, recognising the higher costs of living in London. The London Living Wage rate is £11.05 per hour and the rate for the rest of the UK is £9.90 per hour.

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